

ABSTRACT

A system and method of rating a financial investment in an investment category is disclosed. The method comprises storing financial information about the financial investment and other financial investments in the investment category, and calculating an index for the financial investment based on the financial information such that the index is predictive of the financial investment's future performance. In particular, the financial investment has an expense ratio and a turnover rate, the financial information includes an average expense ratio, and an average turnover rate, and the step of calculating an index comprises comparing the expense ratio to the average expense ratio to generate a compared expense ratio, comparing the turnover rate to the average turnover rate to generate a compared turnover rate, and calculating a percentile ranking for the financial investment for at least one trailing period of time.